

## Message Text

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ACTION AF-08

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-04 H-02

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FM AMCONSUL ASMARA

TO SECSTATE WASHDC 4122

AMEMBASSY ADDIS ABABA

INFO AMEMBASSY KHARTOUM

AMEMBASSY LONDON

AMEMBASSY MOGADISCIO

CINCUSNAVEUR LONDON

COMNAVTELCOM WASHDC

USCINCEUR VAIHINGEN

COMIDEASTFOR

NAVCOMMUNIT ASMARA

NAVCOMMSTA NEA MAKRI

CNO WASHDC

C O N F I D E N T I A L ASMARA 0699

E.O. 11652: GDS

TAGS: PINS ET

SUBJECT: INSURGENT PRESSURE TAKES TOLL ON ERITREAN ECONOMY

1. UNYIELDING INSURGENT PRESSURES ON THE TRANSPORTATION SYSTEM IN ERITREA HAS CLAIMED ANOTHER VICTIM, CLOSING DOWN, AT LEAST TEMPORARILY, THE LARGEST INDUSTRIAL PLANT IN ASMARA. BARATTOLO TEXTILES, WHICH ONCE EMPLOYED 2700 WORKERS, DEPENDS ON RAW COTTON FROM ITS PLANTATION IN TESSENNAY IN THE WESTERN LOWLANDS. THE PLANTATION, ALTHOUGH THE SUBJECT OF SEVERAL INSURGENT RAIDS, CONTINUES TO FUNCTION AT ONLY SLIGHTLY LESS THAN NORMAL CAPACITY. AT THE PLANTATION, TRUCKLOADS OF RAW COTTON HAVE BEEN LOADED AND READY FOR SHIPMENT TO ASMARA BUT HAVE BEEN AWAITING ESCORT FORCES FOR SEVERAL MONTHS.

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2. THE BARATTOLO SITUATION BECAME CRITICAL IN LATE AUGUST AS RAW

COTTON SUPPLIES IN ASMARA DWINDLED TO NOTHING, AND A LARGE SECTOR OF THE WORK FORCE WAS LAID OFF. A SCHEME TO TRANSPORT COTTON FROM SOUTHERN ETHIOPIA VIA ASSAB AND MASSAWA FIZZLED. FINALLY EPMG AUTHORITIES AGREED TO AIRLIFT SEVERAL COMPANIES ON SEPT. 5 FROM ASMARA TO TESSENNAY TO ESCORT THE LOADED TRUCKS. BY SEPT. 6 THE CONVOY HAD REACHED AICOTA, 50 KM. EAST OF TESSENNAY. BARATTOLO OFFICIALS PREDICT THAT THE CONVOY WILL ARRIVE IN ASMARA IN MID-SEPTEMBER, BARRING SERIOUS INSURGENT INTERFERENCE. MEANWHILE ALL BARATTOLO EMPLOYEES EXCEPT FOR THE MANAGEMENT AND THE DYEING SECTION HAVE BEEN LAID OFF.

3. THE BARATTOLO SITUATION IS A POIGNANT EXAMPLE OF THE ADVERSE IMPACT THAT INSURGENT ACTIVITY AGAINST THE ROAD SYSTEM HAS HAD ON THE ERITREAN ECONOMY. EPMG CONCERN HAS REACHED THE POINT WHERE LOCAL AUTHORITIES HAVE SUMMONED LEADERS OF VILLAGES ALONG THE ROUTES SOUTH AND WEST OF ASMARA AND TOLD THEM THEY MUST PERSUADE THE REBELS NOT TO ATTACK THE CONVOYS. IF THE ATTACKS CONTINUE, THE AUTHORITIES WARNED, ALL THE VILLAGES ALONG THESE ROUTES WOULD BE BURNED. THE LEADERS REPORTEDLY REPLIED THAT THEY HAD NO CONTROL OVER THE INSURGENTS, AND FURTHERMORE, MANY OF THE VILLAGES HAD ALREADY BEEN BURNED. ALTHOUGH EPMG AUTHORITIES MUST SURELY HAVE REALIZED THE FUTILITY OF BOTH THIS GESTURE AND THEIR THREAT, THEIR INITIATIVE SUGGESTS THE DEGREE OF THEIR DESPERATION.

4. WHILE CONVOY TRAFFIC IS STALLED, LARGE NUMBERS OF LOADED AND PARKED TRUCKS IN ASMARA PRESENT TEMPTING TARGETS FOR INSURGENT RAIDERS. AT 2:30 AM SEPT. 6, A GROUP OF INSURGENTS FORCED SEVERAL HUNDRED VILLAGERS TO ACCOMPANY THEM IN LOOTING SIX TRUCKS LOADED WITH SHOES, CLOTH, AND BLANKETS. THE TRUCKS WERE IN A GARAGE ON THE EASTERN OUTSKIRTS OF ASMARA AND WERE AWAITING THE FORMATION OF A CONVOY FOR ADDIS. HAVING CARRIED OFF ON DONKEYS, MULES AND HUMAN BACKS, ALL THE LOOT THEY COULD HANDLE, THE INSURGENTS OPENED A RANDOM FIRE IN CELEBRATION OF THEIR SUCCESS. THIS CAUSED A SHORT, BUT INTENSE, VOLLEY OF FIRE IN RESPONSE FROM EPMG TROOPS, ALTHOUGH THEY ARRIVED AT THE SCENE OF THE INCIDENT ONLY LONG AFTER THE REBELS HAD MELTED INTO THE COUNTRYSIDE.

SLUTZ

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